



H.R. 2930 – Section 202 Supportive Housing for the Elderly Act of 2007

FLOOR SITUATION

H.R. 2930 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Tim Mahoney (D-FL) on June 28, 2007. The Committee on Financial Services reported H.R. 2930, as amended, by voice vote on November 7, 2007.

H.R. 2930 is expected to be considered on December 5, 2007.

BACKGROUND

The Department of Housing and Urban Development (HUD) operates the Section 202 Supportive Housing for the Elderly Program. HUD provides capital advances to finance the construction, rehabilitation, or acquisition of structures in an effort to expand affordable housing and supportive services for the elderly.

This program is the only HUD program that exclusively serves the elderly and currently has 320,000 units of housing.

SUMMARY

H.R. 2930 requires HUD to delegate capital grant processing to a State or local housing agency that is close to the project or has demonstrated experience for underwriting multifamily housing.

The bill modifies the definition of private, nonprofit organizations to enable national non-profit organizations that own multiple Section 202 housing projects to set up local advisory boards to the national governing board.

H.R. 2930 also establishes preferences for homeless elderly if the owner can show that the supportive services made available will meet the specific needs of homeless elderly.

H.R. 2930 also changes the refinancing requirements for Section 202 housing by enabling project owners to refinance at a higher rate as long as the owner will address physical needs of the project and the rent for families residing in the project remains the same.

**Note: Currently, owners can refinance their project only if they agree to operate the project under terms as advantageous to tenants as the current loan, and if the refinancing results in a lower interest rate.*

In addition, the bill creates Senior Preservation Rental Assistance contracts to prevent displacement of elderly residents if a project is refinanced or recapitalized and to further the

affordability of the project. These contracts will be awarded at the election of the nonprofit organization owner of the project.

The bill provides a definition of assisted living facility for Section 202 purposes as one owned by a private nonprofit organization, licensed and regulated by the State that makes supportive services available to assist residents in carrying out day-to-day activities and provides separate dwelling units for residents.

COST

“CBO estimates that enacting H.R. 2930 would increase direct spending by \$94 million in 2008 because the bill would effectively modify the terms of existing federal loans—reducing the present value of expected cash flows for such loans. We also estimate that implementing the bill would have a net discretionary cost of \$212 million over the 2008-2012 period, assuming appropriation of the necessary amounts.” [CBO Cost Estimate](#)

Note: After the Committee mark-up, provisions were removed from the legislation to make it **budget neutral. The provisions that were eliminated were the Mortgage Sale Demonstration program and the Subordination or Assumption of Existing Debt.*

STAFF CONTACT

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